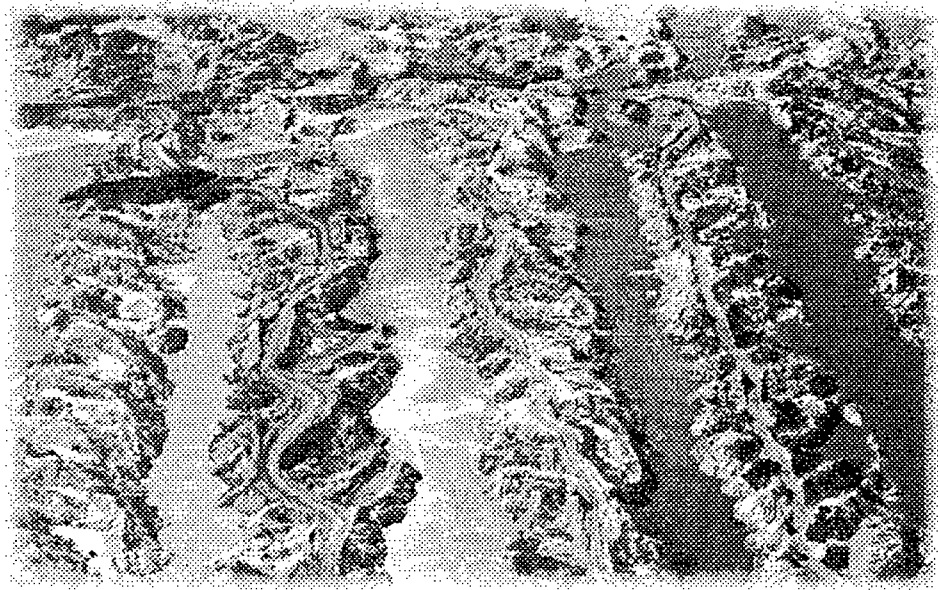


PHOSPHATE

MINING DEBATE



Phosphate mining involves stripping off the top layer of earth and piling it in rows to get to the layers of phosphate below. This area has been mined and is awaiting reclamation. Eventually, sand will fill the areas now filled with water, the rows of earth will be bulldozed flat, the land will be contoured and then replanted. The snakelike trails on the mounds of dirt are roads for trucks and other heavy equipment. This could be in DeSoto County's future if IMC-Agrico is permitted to mine there.

Mining for answers

Phosphate mining is looking south. The largest phosphate mining company in the world, IMC-Agrico, is hoping to open DeSoto County's first modern phosphate mine. It would be the closest that mines have come to Charlotte Harbor, as well as the treatment plant that provides drinking water to some 70,000 people in Charlotte, DeSoto and Sarasota counties. At the same time, two other mines are proposed in Hardee County, where mining is ongoing. The issue raises questions about impacts on Southwest Florida's water supply, environment and economy. Opponents have spoken out against the mine and argued for extra protections for the region's water supply. Supporters say the mines will bring new jobs and more tax revenue to DeSoto County's struggling economy. And, they point out, phosphate is an essential ingredient in plant and animal growth. This special report explores the pros and cons of IMC-Agrico's proposed plan.

CHANGING THE LANDSCAPE: Mining for answers

ECONOMIC GAIN: DeSoto's economy stands to gain from mining

CREEK CONTROVERSY: Sides divided on Horse Creek question

ACCIDENTS HAPPEN: Spills frequent in phosphate mining

GETTING STATE APPROVAL: Team permitting process promises quicker



results, more environmental protection

WHOSE RIVER? Mining causes rift between DeSoto, Charlotte

Q&A: IMC-Agrico's Lee Thurner, vice president/general manager of minerals operations

OUR VIEWPOINT: Horse Creek is outstanding

THE PROCESS: How phosphate mining is done

Phosphate related links:

IMC-Agrico's home page: <http://www.imc-agrico.com/>

Florida Institute of Phosphate Research: <http://www.fipr.state.fl.us/>

Florida Phosphate Council: <http://www.flaphos.org/>

Phosphate related links: <http://www.fipr.state.fl.us/links.htm>

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Letter to the editor



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PHOSPHATE

MINING DEBATE

Changing the landscape

A photo of Florida taken from the space shuttle Discovery shows what phosphate mining can do to a landscape.

Viewed from above, Florida's metropolitan areas -- Miami, Tampa, Orlando -- stick out, a different color from the green and blue that covers most of the Sunshine State.

The phosphate mining area in Central Florida sticks out just as much. It's pockmarked with gray patches, the "moonscape" created when phosphate is taken out of the earth.

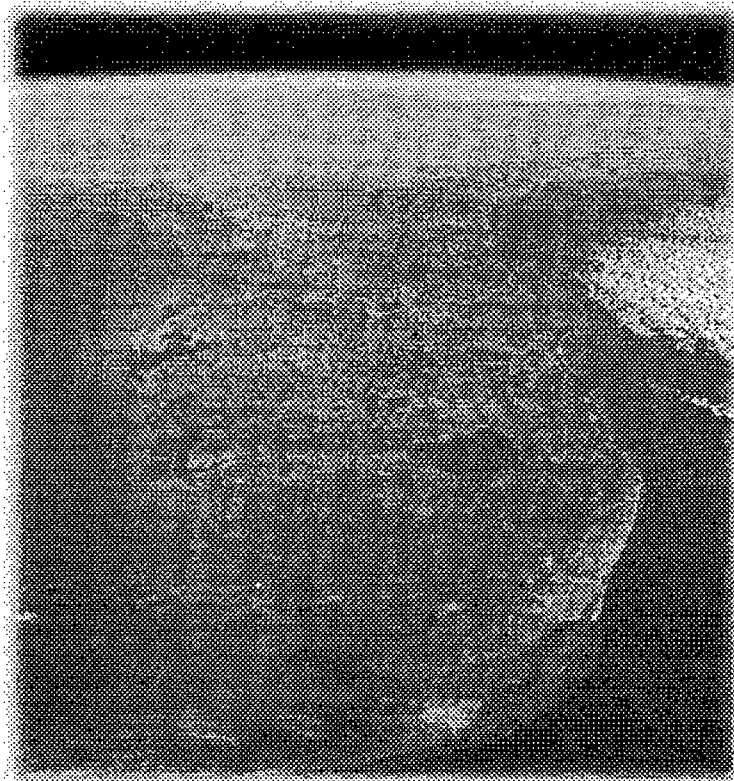
Up close, it's just as dramatic. Huge machines, called draglines, scoop up bucketfuls of dirt and phosphate, creating enormous holes in the ground.

Until now, those machines have stayed north of the DeSoto County line. But phosphate companies are working on plans to

move their machines and mines south, opening up tens of thousands of new acres of mines within the 2,350-square-mile Peace River Watershed.

The plan has drawn opposition over potential environmental harm to Charlotte Harbor and support for potential economic benefits to inland counties.

"These proposed mines could be the single largest impact to the region that's ever happened," said Bill Byle, Charlotte County's natural resources planning supervisor.



This photo taken from the space shuttle Discovery shows the discoloration phosphate mining can cause.

IMC-Agrico, the largest phosphate company in the world, is proposing to open two new mines, totaling 43,000 acres. One is entirely within Hardee County. The other is mostly within DeSoto County, but stretches to southeastern Manatee County.

Farmland Hydro L.P., a partnership between Kansas City, Mo.-based Farmland Industries and Norwegian company Norsk Hydro ASA, is proposing a 14,000-acre mine in Hardee County, bordering IMC-Agrico's mine.

All the mines would sit within Bone Valley, an area that runs from Lakeland to Charlotte Harbor and holds the best phosphate deposits in the country. Phosphate is an essential ingredient in fertilizer, helping plants and animals live and grow.

If the mines open, DeSoto County will gain more jobs and more tax revenue -- two things it needs badly.

In recent years, DeSoto County has cut millions from its budget, spent all its reserves -- and it's still not enough. There's a \$1.7 shortfall expected this year, according to DeSoto Commissioner Bob Allen.

But with the jobs and taxes also comes the impact of industry -- phosphate trains, huge clay settling ponds, and, of course, the open mine pits.

"Try as we might, we have not been able to make it pretty while it's happening," said IMC-Agrico's Lee Thurner, vice president/general manager of minerals operations. "But we think we do a pretty good job cleaning up after ourselves."

Every acre that is mined has to be reclaimed -- the mine pits filled in, trees and grasses replanted, wetlands restored. DeSoto County commissioners who toured some of IMC-Agrico's reclamation projects recently said they were impressed with the company's work.

"I couldn't tell any difference" between reclaimed and natural land, newly elected Commissioner Jerry Hill said after the trip.

A DeSoto County environmentalist sees it differently.

"There's an eerie artificialness about it," said Alan Behrens, president of DeSoto Citizens Against Pollution. "The elevations aren't natural, the real habitats aren't natural ... It's almost a sad type of place."

Behrens said his main concern is that the proposed mines lie on both sides of Horse Creek.

"This is the beginning of the strip mining of the cleanest tributary of the Peace River," he said. "It's going to be a long-term, insidious type of degradation."

Much of the opposition to the mining centers around what it could do to Southwest Florida's water supply.

Byle said he has serious concerns about the geological impact of removing a 20-

to 30-foot-thick layer of phosphate over hundreds of acres. That layer, he said, keeps aquifers separate and prevents surface water from polluting the Floridan Aquifer -- and vice-versa.

"You're going to be screwing up the geological foundation of the entire system," he said.

IMC-Agrico spokeswoman Diana Yeomans said the confining layer Byle is talking about is actually the clay and limestone formation that lies below phosphate deposits. Mining occurs in the uppermost aquifer -- the surficial aquifer -- and will not disturb the natural confining layer, she said.

Byle is also concerned that the normal sheet flow of rainwater to Horse Creek would be disrupted by mining. That could lower the levels of the creek and impact Charlotte Harbor.

Yeomans said sheet flow will be interrupted, but only temporarily and in small areas, since only a handful of acres are mined at one time. The flow is restored during reclamation, she said.

But the water quality concern most often cited is the possibility of a clay settling pond -- which stores millions of gallons of clay-filled water -- bursting and spilling its contents.

"The clay ponds are the biggest point of contention to those downstream," Thurner said. "And there is some basis for that concern. Before 1972, it was not at all uncommon for clay ponds to fail."

That year, the state strengthened rules on how clay ponds must be built. Still, there have been failures since then, spilling muddy water by the millions of gallons.

"Muddy water, if it's muddy enough, will kill fish," Thurner said.

Dr. Gordon Nifong, an associate director at the Florida Institute of Phosphate Research, said spills are the only way mines threaten water quality. Normal mine operation shouldn't harm creeks and rivers, he said.

"If operated properly, there would be a virtually negligible effect on the water quality," he said.

IMC-Agrico has decided to put in an extra layer of protection from spills at its DeSoto County mine. A roughly 5-foot-tall protective berm is planned to contain any spills on the mine site.

DCAP is working on some extra protections of its own. Behrens' organization applied about four years ago to have Horse Creek named an Outstanding Florida Waterway -- a designation that would prevent the creek's water quality from being degraded.

Charlotte County has joined that campaign -- and started a few of its own. County officials have asked the Army Corps of Engineers to do a regional study on the

effects of mining in Bone Valley, and have also asked for Horse Creek to be placed in the Save Our Rivers program, which could buy the creek and surrounding wetlands.

"We're trying to take advantage of every vehicle available to try to minimize the impact of the phosphate mining industry," Byle said.

DCAP is pushing for approval of a new phosphate mining ordinance for DeSoto County. Those efforts started several years ago, when phosphate company Consolidated Minerals Inc. was proposing mines there.

CMI never opened its mines, but DCAP kept pushing for the ordinance, said DCAP member Joyce Chase. Now, a complete draft of the ordinance is ready to be considered at a workshop Jan. 19.

Chase said the ordinance ensures that if a phosphate company goes bankrupt while mining, reclamation will still be done. It also establishes how close mines can come to property lines and structures.

"We feel that it is a much-needed step," Chase said.

George Chase, Joyce's husband and DCAP's vice president, said although IMC-Agrico is well into its permitting process, no application has been submitted, and many questions haven't been answered. A lot has to happen before mining can begin.

"This thing isn't over yet," he said.

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PHOSPHATE

MINING DEBATE

DeSoto economy stands to gain from mining

In Charlotte County, where dozens of miles of coastline spur ongoing real estate development, the Charlotte County Commission is dead set against 43,000 acres of phosphate mines planned up the Peace River.

But the decision won't be up to Charlotte County.

It will be up to the commissioners of rural, inland DeSoto County where the project is planned; a county that has the 29th-highest tax rate in the state; a county that has had to lay off county employees for the past two years because a tax base of agricultural land just didn't generate enough revenue.

"As you know, we don't have any coastline," said Eugene Turner Jr. of

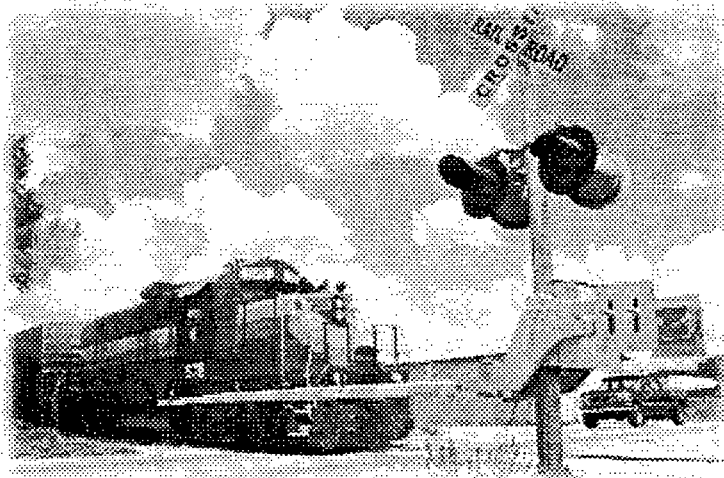
Turner Realty, whose family is one of the largest property owners in DeSoto County. "(Charlotte residents) have a drawing card that we don't.

"Therefore, our economic base is a lot less," he said. "Anything that generates jobs here and generates property values, I'm in favor of -- 110 percent.

"I think that mine is going to be the best thing that ever happened for DeSoto County."

IMC-Agrico's planned Pine Level and Ona mining sites in DeSoto, Manatee and Hardee counties will employ some 350 people if permitted to open. The operation is expected to last from 20 to 50 years, depending on worldwide demand for phosphate.

But DeSoto County's unemployed need not apply for the top mining jobs.



Rail traffic will increase in DeSoto County as long as trains ship the phosphate from the county to locations elsewhere in the state for further processing.

"We would expect that initially, management and supervisory personnel and some experienced operators would be transferred from existing mines," said Lee Thurner, IMC-Agrico's vice president/general manager of minerals operations.

Other jobs will be offered to DeSoto residents. Those positions will pay \$10 per hour or better.

A study by Jay Marlles, director of the DeSoto County Economic Development Council, shows phosphate mining would generate relatively few jobs outside the mining site.

That's because most industries related to phosphate mining are not currently located in DeSoto County. So IMC-Agrico will likely travel to Hardee or Polk counties, Marlles said.

The economic impact study shows phosphate mining would have only a 1.5 "multiplier effect." That means for every \$1 in production, the economy would expand by \$1.50.

That multiplier would be higher if a chemical processing plant was planned for DeSoto County. But phosphate ore in DeSoto will be shipped for chemical processing at one of IMC-Agrico's plants near Mulberry, in Polk County.

Eventually, though, the local economy would grow, Thurner said.

"It has been our experience that after a few years, most mine employees will live in the local area," he said.

Lakes and revenue streams

The phosphate mines would leave behind between 5,000 and 7,000 acres of lakes. Some property owners in DeSoto also see that as a benefit.

"That water supply will be every bit as good as the Peace River or Charlotte Harbor," said Turner's father, Eugene Turner Sr.

But property values are the most easily identifiable benefit.

Currently, IMC-Agrico owns about 17,000 acres in DeSoto County, with a taxable value of \$3.4 million. That generates about \$29,000 per year in ad valorem taxes for the county, which levies 8.48 mills.

Most of IMC-Agrico's tract is improved pasture, which gets valued at only \$155 per acre, according to Newt Keen, DeSoto County property appraiser.

Phosphate mining property gets valued at \$5,000.

"Is that a significant difference?" Keen asked. "Tell me about it!"

How much land will get turned into a mining operation at any given time remains undecided.

But IMC-Agrico officials have told DeSoto County Administrator Bob Koncar the county could expect tax revenues from the company of close to \$1 million per year.

"(The mine) would have a significant impact," Koncar said. "The real future for the county is not more taxes; it's increased economic development."

In addition to property tax dollars, DeSoto County would receive its share of a severance fee on each ton of phosphate produced.

That fee also supports environmental activities for the state government. In 1997, the fee amounted to \$1.65 per ton, raising \$59.6 million statewide.

The first \$10 million went to the Conservation and Recreational Lands Division.

Of the remaining \$49.6 million, 58 percent, or \$28.8 million, went to the general revenues of the state budget.

Another 10 percent, which amounted to \$4.89 million in 1997, was distributed to counties where phosphate is mined.

The counties' share is based on the number of tons they produced. It must be spent on phosphate-related items.

The remainder of the severance fee went into two trust funds and to the Florida Institute on Phosphate Research.

DeSoto County commissioners know allowing IMC-Agrico to open its mines would make the company the county's biggest taxpayer.

But some commissioners have yet to analyze the economic impacts -- good and bad.

"I really don't have any idea" what the economic impacts will be, said Commissioner Bob Allen. "We have not, as a board, gotten into it that deep."

Alan Behrens, president of DeSoto Citizens Against Pollution, claims the benefits will be negligible, once the disadvantages are weighed.

He said the county will need to hire environmental monitoring staff and more emergency service personnel to respond to mining accidents.

He also warned that blight will detract from ecotourism, and industrial activities will threaten water resources.

"There's a lot of cans of worms with mining sites," he said.

George Chase, DCAP vice president, warns DeSoto County's tax-incentive ordinance could allow IMC-Agrico to avoid paying taxes altogether.

The ordinance allows businesses that bring a certain number of jobs to apply for a property-tax exemption for up to 10 years.

"They've basically given it away," Chase said.

Diana Yeomans, IMC-Agrico spokeswoman, said applying for a tax exemption has "never been part of any discussion at our company concerning the project."

"We do not base our decision on where to put a project on tax incentives -- we base it on where the phosphate ore is," she said.

What others say

Three other Florida counties have already experienced the impacts of mining. All three say the industry has not been the disaster environmentalists fear.

Hillsborough County currently receives about \$500,000 per year from the phosphate industry, down from a peak of \$1.5 million earlier in the 1990s.

Hillsborough sees dependence upon phosphate tax revenues as a mixed blessing, said Eric Johnson, the county's budget director. Most of the money is spent developing a park on reclaimed mining land.

One problem is the revenues fluctuate with the phosphate market, he said.

"We're not finding we've received a good stream of revenue," he said. "It's dependent upon the Third World, exchange rates and natural disasters."

However, he added the phosphate industry has created higher-paying jobs in an agricultural area where jobs were few and pay low.

Johnson warned negative impacts also need to be considered. Once the land is mined, it will be "tainted," he said. Residential development will be unlikely.

"It's not virgin land again," he said. "They can pretty it up, but then the question is, how long will it look like a moonscape?"

Phosphate mining, like any heavy industry has negative aspects, he said.

"You get used to the phosphate trains," he added. "Those trains are long. Sheriff's deputies have to reroute traffic.

"This is strip mining. Strip mining is something most people abhor. This is raping and pillaging the earth."

Johnson gave DeSoto County the following advice: Don't become dependent on phosphate; continue to pursue diverse economic development.

"It won't last forever," he said.

In Polk County, unemployment rates have been known to rise and fall more

dramatically because the local economy is heavily dependent upon phosphate mining. IMC-Agrico paid \$7.8 million in property taxes in Polk County in 1997.

Hardee County received \$1.2 million from several phosphate companies last year. That money has been used to finance the county's entire road and bridge department, said Gary Oden, Hardee County administrator.

He also said Hardee is looking forward to having lakes for recreational activities once the mining is completed.

But Oden had a suggestion for DeSoto commissioners: Negotiate now to get the best reclamation plan possible.

"They whole key is to make sure the reclamation is what you want," he said. "Going into it, IMC-Agrico will have to produce a master plan. The question is, what do you want when they leave?"

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